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FILED

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M.L. HATCHER, CLK
U.S. BANKRUPTCY COURT
W.D. OF WA AT SEATTLE

BY__________DEP CLK.

Judge: Marc L. Barreca
Chapter: 7

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re ADAM R. GROSSMAN	CASE NO. 10-19817 AMENDED STATEMENT BY ADAM R. GROSSMAN RE: SUGGESTIONS MADE TO THE TRUSTEE TO ADMINISTER THE ESTATE FOR THE BENEFIT OF ALL CREDITORS

1. The offices of Chapter 7 trustee and his attorney have been sent updated suggestions for administering the estate for the benefit of all creditors, a copy of which is attached.
2. The suggestion attached allows every unsecured creditor to be paid in full, if they are willing to wait for one year.
3. The trustee's current plan is to pay $0 to each unsecured creditor.

Signed on the 16th of September, 2012 in Seattle, WA.

s/Adam R. Grossman/

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To: Ron Brown <rgblaw@nwlink.com>

September 10, 2012
12:00 pm

Suggestion For Agreement in Principle

A) Summary of Agreement: This Agreement in Principle proposes a voluntary alternative process which will be offered to all claimants having any claim to assets in the estate 10-19817 MLB. Each claimant may, at their sole discretion, choose either:

1. To process their claim through the standard bankruptcy claims process as administered by the trustee; or,

2. To waive all rights they may have within the bankruptcy process, withdraw any claims they may have, and become a member-owner of a yet-to-be-formed non-profit along with other similarly inclined claimants who together through the non-profit will purchase the assets of the estate for the purpose of apportioning, partitioning, selling, refinancing, or otherwise dividing the purchased assets and distributing them proportionally to all of the member-owners of the non-profit for the benefit of all creditors.

B) Who is making the proposal: This proposal is submitted on behalf of a yet-to-be-formed non-profit company ("non-profit") whose registration will be filed immediately upon execution of this Agreement in Principle. Several creditors have agreed in principle to act as interim trustee of the non-profit upon acceptance of the Agreement in Principle.

C) Scheduled Payments To The Estate:

Payments To The Estate	
Start Date	Immediately[1]
Frequency	Monthly: on the 1st of each month
Each Payment	$20,000[2]
Total Not More Than	$50,000 per property included in sale
Total Not Less Than	$175,000
Total Not Less Than	➢ all payments ➢ paid by the estate ➢ paid to any creditor ➢ if creditor has completed reimbursement application ➢ if creditor paid one-time 0.75% application processing fee

D) Who is eligible to participate as an owner of the non-profit? All claimants in the estate 10-19817-MLB Western Washington having an unpaid claim that is recognized by the trustee and having no objections filed as of the time this proposal is accepted are eligible to participate at the rate of $1 Payment Request per $1 of face value of unsecured claim that is voluntarily withdrawn from the estate. Claimants not recognized by the trustee may participate at the rate of $1 Payment Request per $1 Cash paid into the treasury of the non-profit.

E) Why would any creditor choose to participate as an owner in the non-profit? The trustee has already predicted that unsecured creditors will receive nothing ($0) under estate administration but the non-profit using the assets of the estate and privately bonded will pay any unsecured creditor who participates 100% of the face value of their claim if they are willing to wait 365 days.

1 Immediately upon acceptance of this Agreement in Principle.
2 The last payment may be smaller.

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F) Selected Details

1. Non-profit to purchase all assets claimed, disputed, collected, or entitled.[1]
2. Estate to guarantee clean title.
3. Trustee to choose a title company, escrow agent, and date to close escrow.
4. Estate to receive banker's confirmation of funds availability.[2]
5. Number of claimants opting to participate shall not vary these terms.
6. Mr. Grossman to comply with all requests by non-profit.[3]
7. Mortgages to be paid current at close of escrow.[4]
8. Bank negotiations referenced in Docket #368 are successful.
9. Detailed final agreement drafted and signed.
10. Detailed final agreement approved by the bankruptcy court.
11. Trustee Fees to be paid by the non-profit implied as if fully administered.
12. Estate to pay SEC-required, CPA-prepared, GAAP-compliant fund accounting.[5]
13. Non-profit to be bonded in accordance with vote by member-owners.
14. Any order in 10-19817 or related cases shall terminate this proposal.[6]

G) Proposed Payments To The Member-Owners. At any time after the creditor has submitted an application and one-time application processing fee of 0.75% of the dollar amount claimed, unpaid and qualifying under this proposal the creditor may request payment to be paid within [N] days. The non-profit will schedule a payment in [N] days after the date this proposal is accepted in the amount of [N] multiplied by 1/365th of 100% of the amount requested plus reasonable costs for attorney fees plus interest accruing at 1%/month as of the date this proposal is accepted.

H) For example, a creditor with a $5,000 claim opts out of the bankruptcy claim process and submits an application and one-time application processing fee of 0.75% ($37.50) of the dollar amount claimed. The creditor may request a payment in

25 days for $342	(25/365 =	7% of $5,000)
100 days for$1,368	(100/365 =	27% of $5,000)
250 days for$3,420	(250/365 =	68% of $5,000)
365 days for $5,000	(365/365 =	100% of $5,000)

I) Reasons The Bankruptcy Court Will Like This Proposal

- **Creditors treated proportionally, pro rata, and equally.**
- Creditors may participate, or not, at their sole discretion.
- Creditors may be paid 100% of the face value of their claim by waiting.
- Creditors are not required to participate.

I, Ron Brown, Trustee, agree in principle to these terms and conditions.

Ron Brown, Solely in his role as Trustee   Print   Date

1 All assets including five (5) real properties located at 39th Ave, Strauss Lane, Metro Way, Montcrest Dr, and Glennview Dr and all monies collected or entitled. An adversarial complaint will be initiated to recover properties the trustee has so far refused to request turnover.

2 Upon execution of this Agreement in Principle.

3 Assigning, leasing, optioning, quit-claiming, granting limited power-of-attorney, and co-operating in any manner upon request of the non-profit.

4 To assist cash-flow needs to estate, non-profit to secure 0% line of credit for estate granting lender a security interest in rights to future payments.

5 To assist cash-flow needs to estate, non-profit to secure 0% line of credit for estate granting lender a security interest in rights to future payments

6 An agreement in writing may extend the duration of this proposal.

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